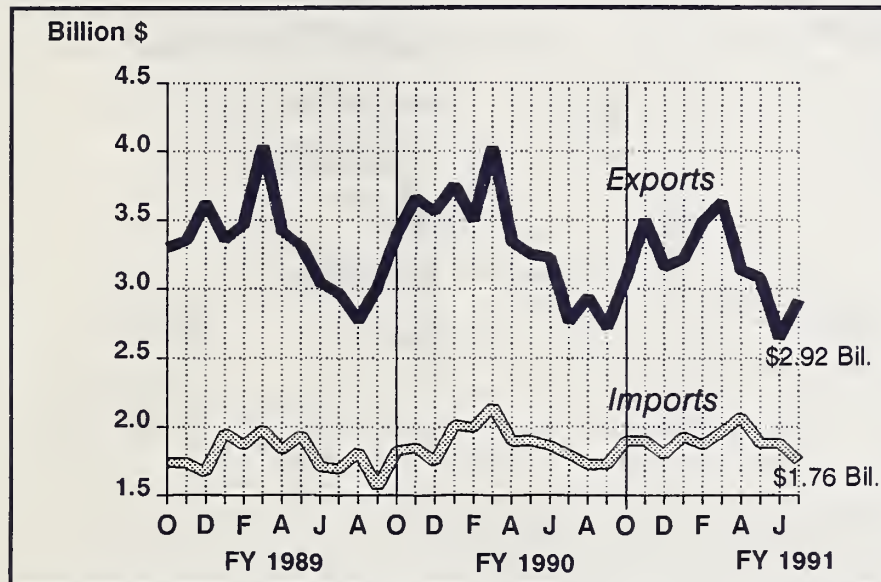


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AGRICULTURAL TRADE HIGHLIGHTS

Agricultural Exports for July Reach \$2.9 Billion as Soybean Exports Soar



July trade statistics released on September 19 by the Commerce Department placed the value of U.S. agricultural exports at \$2.9 billion. This figure represents an increase of 10 percent over June and a 6-percent gain over July 1990. The cumulative export total for fiscal 1991 (October-July) reached \$32 billion, down 8 percent from the same period last year. Export volume was also up at 10.7 million tons, an increase of 32 percent over June and 12 percent over last July.

Exports of *bulk commodities* were much improved in July, registering a mere 1-percent drop from July 1990. Significant gains were recorded for exports of soybeans (up 84 percent), rice (up 42 percent), and tobacco (up 71 percent). Together, the value of these gains amounted to \$168 million, helping to offset the losses registered by wheat (down 20 percent), coarse grains (down 7 percent), and cotton (down 49 percent).

July exports of *intermediate high-value products* rose 6 percent due to increases in all but two commodities in this group. Strong performances were turned in by wheat flour (up 117 percent), live animals (up 90 percent), and other vegetable oils (up 63 percent), for a combined increase in value of \$51 million. The most significant loss was in exports of hides and skins, falling 28 percent, or \$41 million.

Exports of *consumer-oriented products* continued to climb, rising 15 percent, or \$124 million. Gains were also widespread, with only one category registering a loss for the month. Exports of red meats, tree nuts, and fresh fruit led the pack, rising 10 percent (\$21 million), 57 percent (\$20 million), and 13 percent (\$18 million), respectively, over last July. The horticultural complex continues to show its strength, rising by \$79 million in July and nearly \$800 million year-to-date.

Export performance with the *top 10 U.S. trading partners* was mostly up for July, with six countries advancing and only four declining. Gainers were led by the EC (up 34 percent to \$393 million) and Mexico (up 45 percent to \$316 million). Other countries showing improvement included Canada (up 6 percent), Taiwan (up 6 percent), the Soviet Union (up 26 percent), and Egypt (up 299 percent).

U.S. agricultural imports for July amounted to \$1.76 billion, down 6 percent from June, and down 2 percent from last July. July's imports bring the cumulative total for fiscal 1991 to \$19 billion, roughly unchanged from the same period in 1990. At \$1.14 billion, July's agricultural trade surplus is \$180 million higher than year-earlier levels.

Revisions to the *fiscal 1991 projections* as published by the World Agricultural Outlook Board on August 29 revealed an increase of \$500 million in the forecasted value for exports to \$37.5 billion. Much of this increase is due to improved prospects for soybeans, soybean meal, and high-value products. Import value and export volume remained unchanged at \$22.5 billion and 129 million tons, respectively.

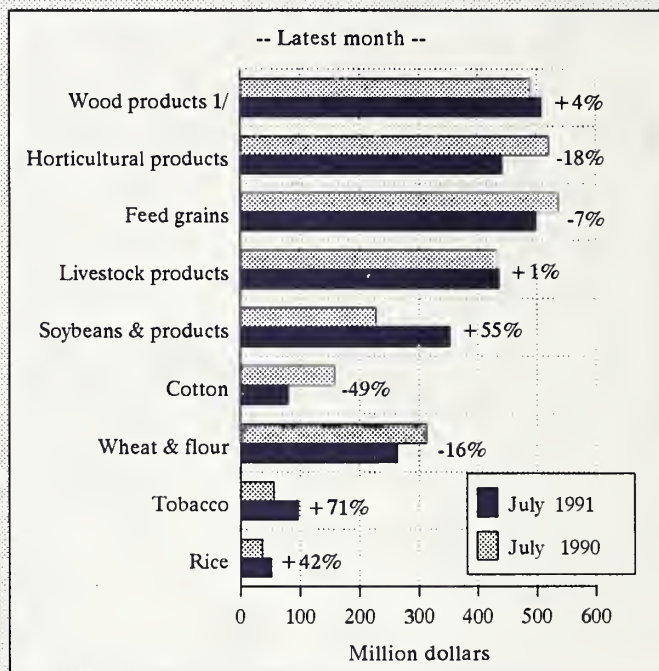
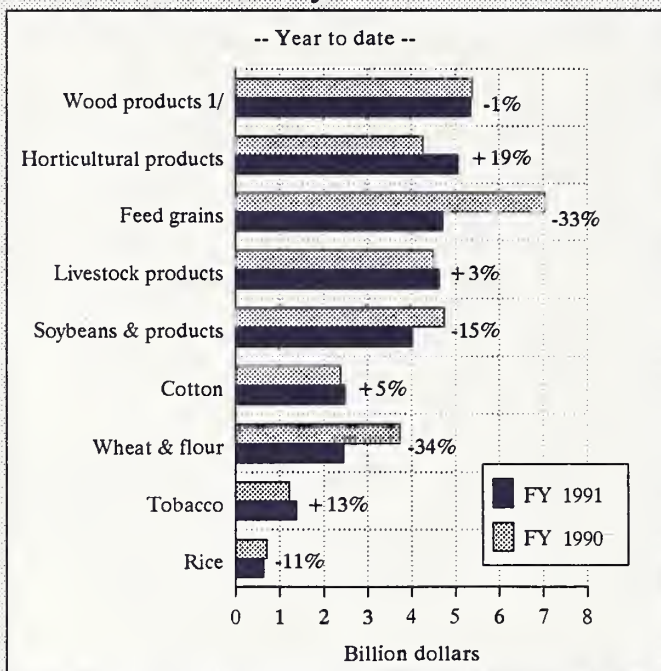
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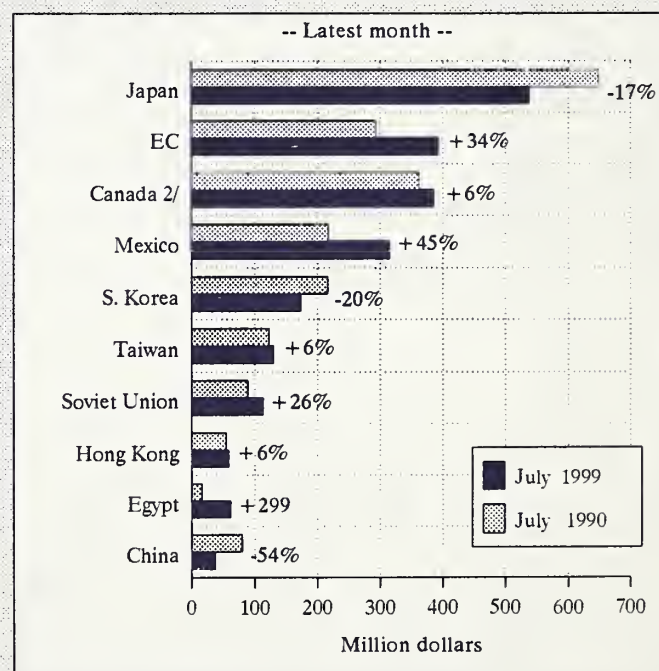
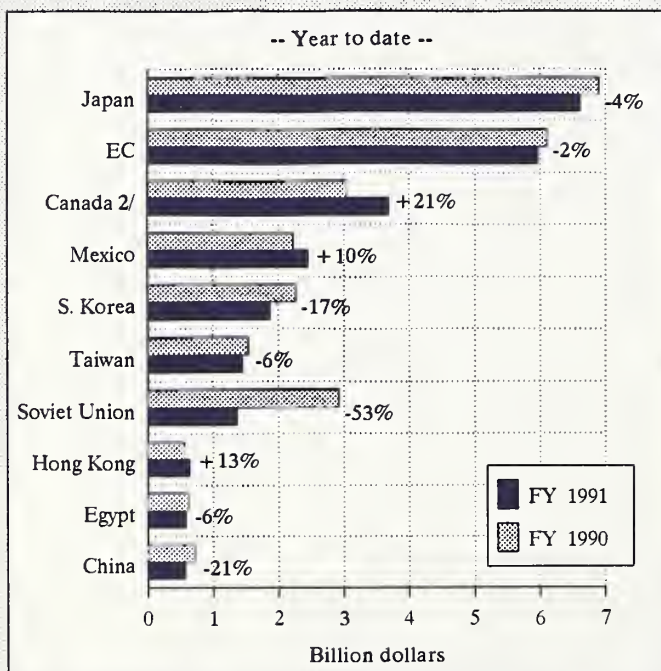
U.S. Agricultural Export Summaries

October-July and Latest Month Comparisons

Product Summary



Top 10 Markets Summary



Note: Percentages are computed as the change from a year ago.

1/ Not included in agricultural totals. 2/ U.S. agricultural exports to Canada have been under-reported in past years by about \$1 billion a year and officially recognized by both governments. Effective January 1990, the U.S. Bureau of the Census began adjusting U.S. export statistics to account for these differences.

Commodity Highlights

July's agricultural exports of \$2.9 billion were up 6 percent from last July. Strong exports of soybeans, tobacco, and horticultural products more than offset lower shipments of feed grains, wheat, and cotton.

Wheat and wheat flour export value in July of \$264 million was down 16 percent from July 1990, but up 33 percent from the June export level of \$199 million. However, export volume in July was unchanged from the year-earlier level. Exports were lower to nearly all markets, with a few notable exceptions. Exports to Brazil in July 1991 totaled \$26 million--five times the total for the October to July period in fiscal 1990. Exports to Egypt were up 200 percent to \$19 million. Export volume for the year-to-date is down 5 percent at 22.5 million tons. Sharply lower prices have driven down the export value for a drop of 34 percent from year-earlier levels to \$2.5 billion so far this fiscal year.

Exports of *feed grains* in July of \$499 million were down 7 percent while volume was up 7 percent, reflecting lower prices. Major declines were recorded for exports to Japan (down \$106 million), Korea (down \$25 million), and Mexico (down \$16 million). These declines, plus a general decline among most other markets, more than offset strong gains by the USSR (up \$90 million), the EC (up \$20 million), Egypt (up \$18 million), and Algeria (up \$8 million). Year-to-date, feed grain exports are down 33 percent in value on a 29-percent volume decline.

Rice exports of \$52 million in July were again strong, rising 42 percent from last July. Higher export prices--up 12 percent from last July--have not affected export volume which was up 27 percent from year-earlier levels. Exports to major markets in July were mixed. Exports to Saudi

Arabia, Peru, Brazil, and Turkey were up strongly while exports to the EC, Liberia, and South Africa were down. Exports of rice for the year-to-date are down 11 percent in value and 3 percent in volume as prices for the 1990/91 marketing year are below both the 89/90 and the forecast 91/92 prices.

Unmanufactured tobacco exports of \$96 million in July were up around 70 percent in both value and volume. Exports to the EC were up 130 percent and accounted for three-quarters of the month's increase. Large export value increases were recorded for the EC (up \$30 million), the Dominican Republic, Egypt, and the Philippines (each up \$5-\$7 million). Exports for the year-to-date of \$1.4 billion are up 13 percent from year-earlier levels.

Exports of *soybeans and products* of \$353 million were up \$125 million in July from year-earlier levels. A \$50-million increase in exports to Mexico was more than double last July's exports. Other major export gains were recorded for the EC (up \$22 million), Taiwan (up \$15 million), and Israel, Japan, Australia, and Turkey (each up \$7-\$8 million). Export prices continue below last year's levels as volume was up 70 percent on a 55-percent value increase. Year-to-date export value and volume are both down 15 percent.

Exports of *cotton* in July were down 49 percent to \$81 million from last July. Exports were lower to nearly all significant markets except Turkey and Bangladesh. Major declines were recorded for exports to Korea (down

\$20 million), Japan (down \$18 million), China (down \$15 million), and Indonesia and Hong Kong (each down \$7 million). Despite slow exports in July, exports year-to-date are 5 percent ahead of year-earlier levels.

Horticultural product exports were up 18 percent to \$521 million in July. Exports of nearly all categories were stable or up from year-earlier levels. Although gains were seen in most markets, much of the gain came from increased exports to the EC (up \$23 million), Canada (up \$13 million), Japan (up \$14 million), and Mexico (up \$8 million). Year-to-date exports of \$5.1 billion are up 19 percent from last year.

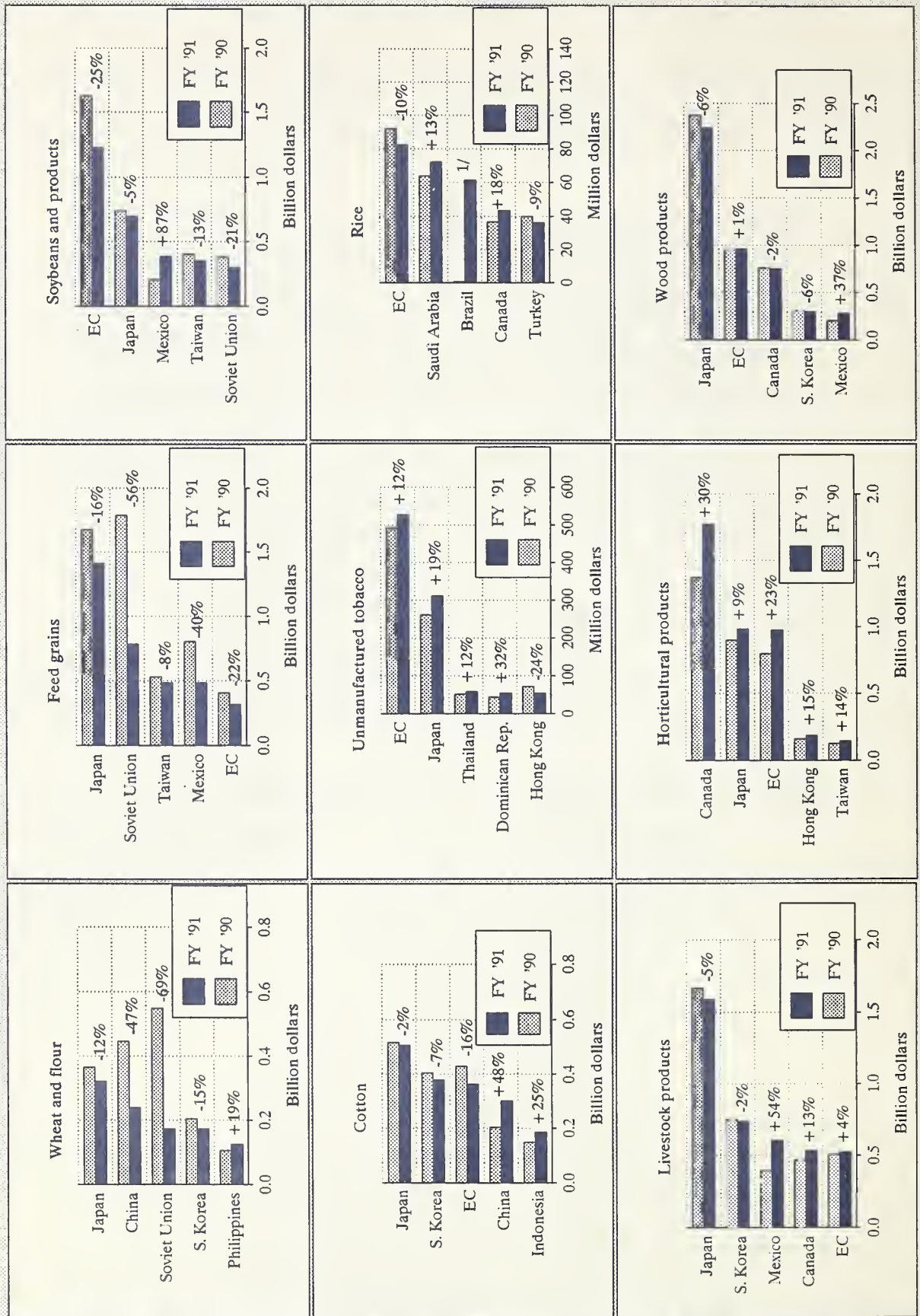
Livestock product exports of \$432 million in July were relatively unchanged from last July. Exports to major markets were mixed with exports to Mexico and Canada up \$41 million, and \$12 million, respectively, while exports were stable to the EC, down \$32 million to Japan, and down \$12 million to Korea. Year-to-date livestock product exports of \$4.6 billion are up 3 percent.

Wood product exports of \$509 million were up 4 percent from last July. Strong sales to Japan and Mexico, each up over \$15 million, more than offset sluggish sales to Korea and China. Year-to-date exports of \$5.4 billion are unchanged from year-earlier levels.

For more information contact James Johnson at (202) 382-9522.

Top Five Markets for Major U.S. Commodities

October - July Comparisons



Note: Percentages are computed as the change from fiscal 1990 to fiscal 1991.
1/ Negligible exports reported during comparable period last year.

Country Spotlight: Egypt



Egypt is one of the largest markets for American agricultural products, ranking 9th overall in 1989. Last year, the United States supplied one-quarter of the country's total agricultural imports of \$4.5 billion, a figure which has risen substantially over the last decade. Unfortunately, several market factors have impeded the United States' ability to keep pace with this growth, namely, under-pricing by competitors and currency valuation. However, the future appears much brighter as Egypt engages in a series of new economic reform efforts.

Since the early 1980s, Egypt's imports from the world have grown by more than 50 percent. While struggling to meet this demand, U.S. exporters have been most successful with bulk commodities, supplying over half of Egypt's bulk imports in 1989. Australia and the EC, the next largest competitors, each hold less than a 14-percent market share.

In the past, Egypt has depended on the United States for over 50 percent

of its wheat imports which maintain high levels due to the importance of bread in the Egyptian diet. This dependence functions mainly on USDA-sponsored export assistance programs. In fact, two-thirds of all U.S. agricultural exports to Egypt last year were supported by financial credit and loan programs. However, the GSM-102 program was suspended in January 1990 because of non-payment, and although it has not yet resumed, reinstatement looks likely for next year given Egypt's improved payment performance to U.S. banks.

U.S. bulk exports have not fallen drastically since the suspension as Egypt has been able to make purchases in cash for essential bulk products. Cotton sales have even risen and are expected to reach \$100 million by the end of this year--almost three times the level of 5 years ago. Coarse grain shipments are likely to increase as well, topping \$190 million by the end of 1991 if present trends continue. Demand for forestry products is also rising in Egypt. Opportunities for U.S. producers have improved as East European and Scandinavian competitors have raised prices due to limited resources.

Unavoidably, U.S. exporters of high-value products face harsh competition from the EC. EC competitors control almost 72 percent of Egypt's consumer-oriented imports, while the American share dangles around

the 8-percent mark. This suggests that the United States has plenty of room to expand high-value exports in the longer-term. The United States is often limited, though, in its ability to compete with EC suppliers. Because of Europe's close proximity to North Africa, long-established trading patterns exist with Egypt. The EC is also known to supply less-expensive, lower-quality beef to the Egyptian market which is preferred by Egyptian consumers for use in stews--a popular dish in the country.

Highly-subsidized EC dairy exports have also suppressed U.S. sales. Again, Egyptians are price-sensitive and opportunities for more expensive U.S. exports of butter and cheese are minimal. Some progress is being made with fruit and vegetable exports. All-time high sales this year of \$153,000 appear small, yet indicate good growth potential in a highly-protected consumer market. Many other consumer-ready products that compete with domestic production, such as poultry and cigarettes, are banned.

However, Egypt's Ministry of Agriculture has recently initiated major reforms. Rice is among over 100 products recently taken off the import ban list and the government is loosening control over meat, dairy, feed grain, and forestry imports, gradually allowing the private sector more involvement in this trade. More importantly, the International Monetary Fund (IMF) and World Bank recently settled a reform agreement to deregulate and stabilize the economy.

Restructuring is timely since Egypt is expected to continue to rely on foreign imports for the majority of its population's food needs. The United States would like to turn Egypt into a cash market, but in the meantime, export credit support should expand the volume of trade.

For more information, contact Karen Halliburton, (202)382-1299

Egypt Implements Important Economic Reforms

For the past several years, Egypt's economy has suffered from a shortage of foreign exchange, high inflation, and rapid population growth. However, recovery is now in sight as a result of aggressive government-initiated reform efforts. A structural adjustment plan negotiated with the IMF and World Bank calls for control over the exchange rate to be lifted, a freeing-up of interest rates, and the elimination of most trade barriers, including price constraints on many public sector products.

In addition, debt forgiveness was granted by some allies in the Persian Gulf War and a Paris Club rescheduling should further reduce the repayment burden. Successful implementation of these reforms will bring about the kind of free-market changes Egypt needs to maintain import levels for its growing population.

Product Spotlight: Bakery Products

Last month, Agricultural Trade Highlights began devoting one section to reporting the performance of specific agricultural products that offer promising export opportunities. The focus is on lower-profile products that do not get much attention in other FAS publications. These will usually be processed consumer food products that tend to be growth-oriented. Last month, dried breakfast cereals were highlighted. This month, bakery products are being featured.

Bakery products are widely purchased goods that are consumed in one form or another in many households throughout much of the world. While global consumption is high, most of the demand is met with local supplies. However, international trade statistics suggest that in recent years there has been increasing growth of trade in these products.

Exports of bakery products from the United States reached \$186 million in CY 1990, and are expected to exceed \$250 million by the middle of the decade. Rising incomes, population growth, growing tourist industries in several countries, as well as easing of some trade barriers, are fueling this higher demand. As recently as 1987, overall U.S. exports in bakery products were less than \$50 million. While American exporters of cookies, cakes, and pastries have enjoyed impressive growth in recent years, the rise in world trade has been almost as fast. Over the last 15 years, U.S. market share in global trade for bakery products has hovered around 2 or 3 percent, and was as low as 1.9 percent as recently as 1987. In 1990, this share increased to 5 percent, and is expected to at least maintain this higher level over the next few years.

In fact, recent FAS analysis suggests worldwide trade in bakery products could exceed \$4.5 billion by 1995. If exports from the United States continue to grow at the rate achieved in recent years, the projection of \$250 million by the mid-90's may well be a

pessimistic estimate. So far this year, bakery product exports are 20 percent ahead of last year's record level and should reach \$210-\$230 million by year's end.

The EC is the United States' major competitor in bakery products and exports a wide range of high-quality products. The European product tends to be less sweet, with fewer fillers than are favored by American consumers. They have cultivated long-standing business relationships with their customers in countries that were former colonies, or where their influence was strong, such as the Middle East.

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Trade in bakery products would not seem to be a promising avenue for growth because of stringent freshness and demanding transportation requirements over sometimes large distances. However, over the past decade, products have been developed that are less susceptible to such constraints. Exports of cookies, mixes, and doughs are produced and packaged with a longer shelf life in mind.

The industry that produces and exports bakery products is somewhat more atomized than most, in that rather than a few large firms, it is

characterized by a larger number of firms of all sizes. The larger firms tend to test market a product until sufficient sales justify production in that market by a foreign subsidiary or partner. This strategy of moving production to subsidiaries overseas when a threshold of sales is reached would imply a limited potential for future growth of exports. In fact, it appears there are increasing numbers of niches for specialized products due to increases in income, tourism, and tastes and preferences, as well as less concentration of markets over time. Smaller producers tend to continue exporting to other markets because they lack the financial and information resources to set up production overseas as readily as their larger competitors.

As with many other high-value products, Canada is a leading market for U.S. exports of bakery products. With sales likely to reach \$120 million in 1991, Canada represents over half of the total U.S. export market in bakery products. Because of the ready access to most of the regional Canadian markets (geographic as well as trade access), many northern producers in the United States can ship their product to parts of Canada easier than they can to parts of the United States. Another advantage U.S. producers enjoy with Canada is the similarity of tastes. While the United States is the largest supplier to the Canadian market--controlling more than 60 percent--the EC is next with just under 30 percent. The EC is slowly losing market share to the United States, but is concentrated toward the most expensive part of the market. Hong Kong, Sweden, and Japan are the next largest suppliers with only about 1 percent each.

The Caribbean, led by Bermuda, is a major importer of bakery products and is the United States' second-largest market at \$28 million in 1990. Much of the region's increasing im-

...Bakery Products

port demand is due to the growth in tourism, as well as the islands' limited ability to produce this type of food. They are therefore a much more important market than their size would indicate. While the level of imports is high in these markets, their ability to grow may be limited to the narrow base of the growth in tourism. Growth in American exports may be tied to the ability to gain market share at the expense of the Europeans. While the Europeans supply roughly half of the Caribbean's imports, a significant transportation disadvantage may provide some opportunities for American bakery product exports.

The liberalization of Mexican trade that began in 1989 resulted in an immediate jump in bakery product imports from the United States. These grew from \$500,000 in 1988, to \$3.4 million in 1989, to \$9 million in 1990. So far this year, Mexican purchases of American bakery products are 32 percent ahead of last year's record pace and should reach almost \$12 million. Much of this trade occurs

near the border and involves cookies and non-sweet bread products. Rising incomes and populations, coupled with fewer trade restrictions and a desire for quality U.S. products, suggest this market may just be starting to grow. American tourism, which is significant and growing, also adds impetus to this rising trend, as U.S. tourists take their sweet tooth with them on vacation.

American tourism ... also adds impetus to this rising trend, as U.S. tourists take their sweet tooth with them on vacation.

As with many other high-value products, the Asian countries of the Pacific-Rim offer significant growth potential for U.S. bakery products exporters. Relatively high and growing incomes, coupled with a propensity to try new products, as well as increasing tastes for Western products, have led to Japan becoming the best prospect for continued growth in the next few years.

Japanese consumption patterns show a preference (as in the United States) for sweeter varieties of non-frozen cookies, cakes, and pastries.

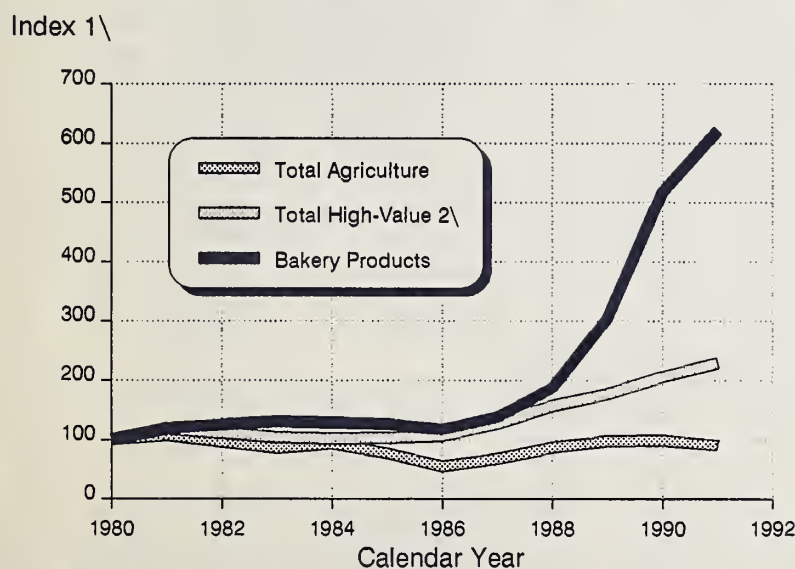
The "4 Tigers of Asia," Hong Kong, Korea, Taiwan, and Singapore each exhibit growth potential similar to Japan. Individually, they are growing from smaller bases than Japan, but combined, are expected to surpass Japan this year. Unlike other areas of the world, competition from the EC is less pronounced in Asia. Competition in these markets is mostly from domestic producers, or other Asian countries.

The consistent rise over the last 5 years of exports to the EC are largely the result of higher purchases by the United Kingdom. While Community imports from the United States are likely to be a third higher than last year, sales to Britain are likely to run 60-75 percent above last year and could total \$7 million. Excluding Britain, sales to the EC are expected to drop in 1991. U.S. bakery products face tremendous competition in the European market, as well as stringent import requirements. The positive aspect of the European market is that its sheer size and diverse tastes imply that there are numerous niche markets available for the savvy American exporter.

Overall, the market for American bakery product exports is promising, especially since U.S. sales are still in their infancy in the important (and largely untapped) Mexican and Pacific Rim countries. Canadian sales, already sizable, should grow by at least 10 percent per year. Although overall growth rates in the Caribbean may be less than some other areas, American exporters may increase sales and market share due to transportation advantages over European exporters.

For more information, contact Thomas St. Clair, (202) 382-9521.

**"Rising" Exports of Bakery Products
Fattening Exporters' Wallets**



1\ 1980 = 100

2\ High-Value includes the value of both intermediate and consumer-oriented exports

Note: 1991 figures are estimates based on cumulative year-to-date performance

July Imports Down From June; But Year-to-Date Imports Unchanged

At \$1.76 billion, U.S. agricultural imports for July hit their lowest level so far this fiscal year. Falling for the third consecutive month, imports are down by \$124 million from June, but remain relatively unchanged from the October-July period a year ago. The decline is primarily due to decreased shipments from Mexico and Brazil--their total year-to-date agricultural imports to the United States dropped \$35 million and \$194 million, respectively, since last year. However, total imports from Canada, the largest U.S. supplier, rose to almost \$2.7 million year-to-date. Competitive imports advanced only 1 percent from July 1990, while noncompetitive products showed a 13-percent drop.

A comparison of import values for the cumulative October-July period shows 1991 to be \$37 million behind 1990, amounting to a difference of only 2 percent. A 1-percent increase in the competitive year-to-date im-

port value brings the 10-month total to \$14.4 billion. In contrast, noncompetitive imports fell to \$4.6 billion, but hardly impacted total imports for the year.

Leading competitive imports, beef and veal, along with live animals, advanced 10 and 11 percent, respectively, from last year's cumulative figures. Imports of dairy products continued to fall in July. Most of the 22-percent decline is due to a considerable drop in casein, a noncompetitive milk by-product for industrial use.

Imports of fruit juices are also much lower than year-ago levels, mostly due to a slight decline in orange juice consumption and rising domestic orange production. Since the Florida freeze last year, U.S. producers have made a good recovery, if not as strong as expected. Shipments from Brazil, the largest U.S. fruit-juice importer, have consequently dropped by 60 percent as American con-

sumers no longer need to rely as heavily on foreign production.

Mexico's year-to-date imports of fruits and vegetables decreased by \$39 million this year, lowering the U.S. total to just over \$7 billion, of which Mexico now has a 20-percent share. Further fueling the overall decline, Brazilian supplies dropped from \$587 million in fiscal 1990 to half that amount over the last 10 months. For July, total farm exports to Brazil amounted to \$18 million--only one-third of July 1990's value.

Noncompetitive imports of coffee and cocoa and products together dipped more than 50 percent in July when compared to a year-earlier total of \$240 million. The value of Brazilian coffee imports was the gainer in this category, increasing by \$98 million and moving 8 percent higher in market share. Tea imports increased nearly 40 percent, signaling some notable activity, but must be put in context of their relatively small \$11-million base.

The irony of July's record low U.S. import figure is Canada's sizable gain of \$119 million so far this year. Canadian pork shipments are up to \$339 million, or 45 percent of the U.S. pork market, while imports of live animals have risen to \$589 million, almost 60 percent of the U.S. total in the category. With increases of this nature, Canada should continue to hold its position as the largest agricultural importer to the United States.

For more information, contact Karen Halliburton (202) 382-1299.

U.S. Agricultural Imports by Major Product Sector July 1991 and Year-to-date Versus Year-ago

Import Category	July 1991	July 1990	% Chg	Oct-July FY91	Oct-July FY90	% Chg
-- Million \$ --						
Total competitive	1,365	1,353	1%	14,439	14,310	1%
Fruits, incl. juices	154	176	-12%	1,803	1,929	-6%
Wines & beer	153	156	-2%	1,502	1,502	0%
Vegetables	146	123	19%	1,881	1,998	-6%
Live Animals	59	61	-4%	1,011	913	11%
Beef & veal	184	153	21%	1,672	1,525	10%
Dairy products	78	99	-22%	657	798	-18%
Pork	71	94	-24%	732	725	1%
Total noncompetitive	391	448	-13%	4,580	4,745	-3%
Coffee & products	113	150	-25%	1,578	1,748	-10%
Cocoa & products	70	89	-21%	849	774	5%
Bananas/plantains	82	76	9%	812	699	4%
Rubber/allied gums	46	50	-8%	563	587	-4%
Spices	19	22	-13%	219	204	8%
Tea	16	12	37%	130	130	0%
Total agri. imports	1,756	1,801	-3%	19,019	19,056	0%

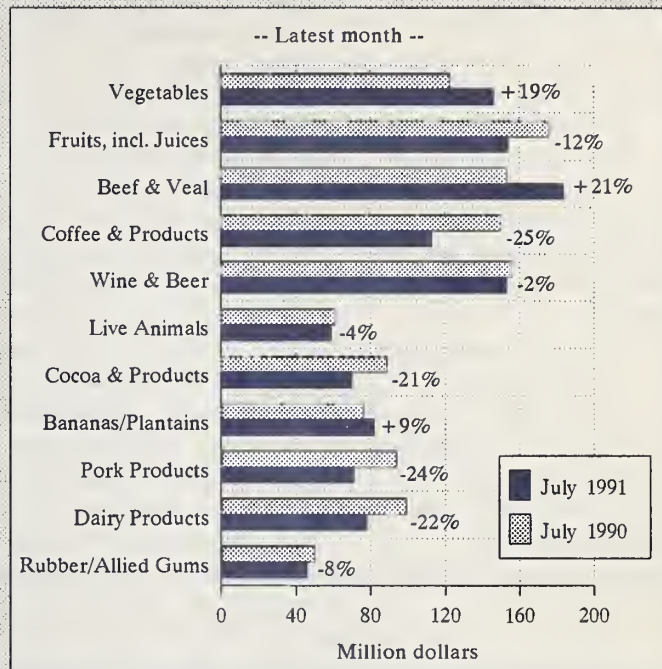
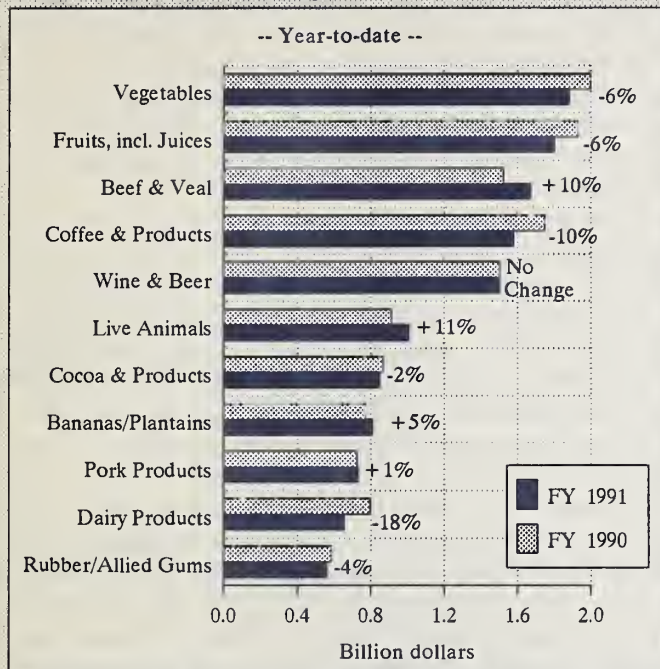
Source: Commodity Trade Analysis Branch, Economic Research Service, U.S. Department of Agriculture, Washington, D.C.

Noncompetitive imports do not compete with U.S. production and include: bananas/plantains, coffee (incl. processed), cocoa (incl. processed), rubber/allied gums, spices, essential oils, tea, and carpet wools.

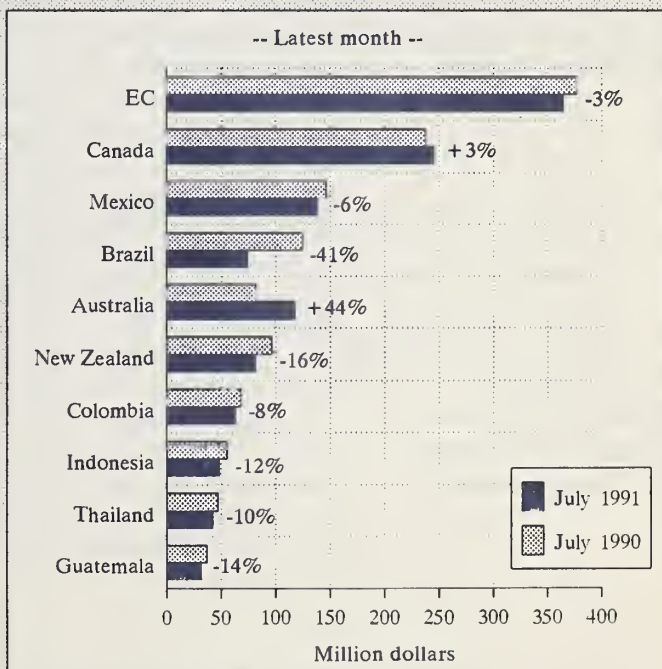
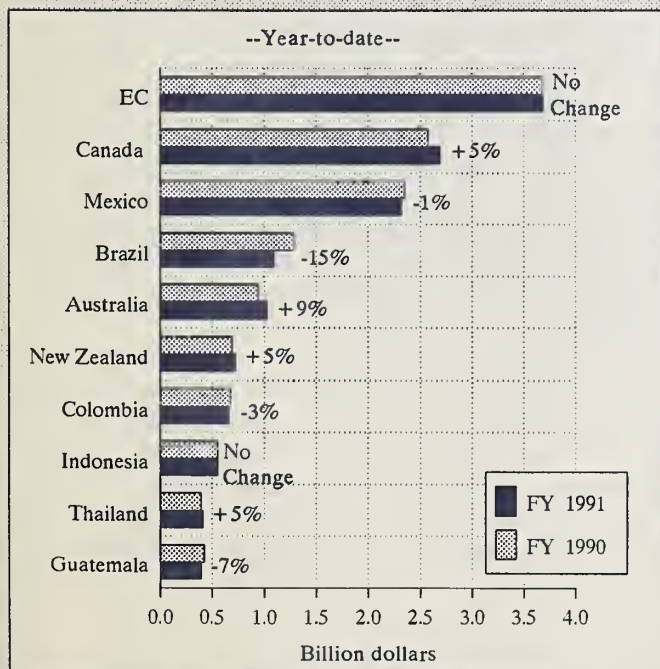
U.S. Agricultural Import Summaries

October-July and Latest Month Comparisons

Product Summary



Top 10 Suppliers Summary



Note: Percentages are computed as the change from a year ago.

Trade Policy Updates

Proposal for New Canadian Grading Regulations for Imported Beef

As of mid-September, Canada was expected to publish a proposal, targeted for implementation by Jan. 1, 1992, for new grading regulations for imported beef that will require imported (and domestic) beef products that are not graded to be labeled as "Ungraded." The proposal will also require grade identification down to the sub-primal cut level, resulting in grade labeling requirements at the retail level. Canadian industry analysts indicate that around 1 million lbs. of U.S. ungraded beef, so-called "no-roll" product, is moving into Canada weekly primarily in the hotel-restaurant-institutional sector, but recently into the retail grocery sector as well. While the new regulations may negatively impact the trade in no-roll beef, it may also provide opportunities to promote graded (choice or select) beef in Canada.

EC Adopts Single Market Fresh Meat Directive

The EC Council of Ministers has adopted a single-market fresh meat directive which will go into effect Jan. 1, 1993. The new directive will hold EC slaughterhouses engaged in intra-Community trade to the same standards as facilities in third countries exporting to the Community. Permanent derogations are available for slaughterhouses processing few animals or located in less-favored areas of the Community. The new directive replaces existing legislation which established a two-tier meat inspection system in the Community. More than 80 percent of the slaughterhouses in the EC currently are not approved for intra-Community trade.

United States-EC Enlargement Agreement

In bilateral meetings in Brussels on the United States-EC Enlargement Agreement, EC External Affairs Officials informally proposed that, in exchange for the United States foregoing the tariff reductions in the original package (including almonds, plywood, etc.), the EC would extend the purchase agreement for corn and sorghum and make an explicit statement that they intend to accommodate imports of U.S. corn and sorghum in the Uruguay Round. Representatives of the Agriculture Directorate-General indicated a willingness to do a simple 1-year rollover of the current Agreement.

EC Approves Relistment of U.S. Meat Plants

EC Agricultural Ministers have approved the relistment of three U.S. beef plants and one cutting facility as eligible to export to the EC as of October 1. Ten U.S. plants, which include seven pork plants, were approved pending letters of assurances regarding the inspection of offals for human consumption. Three remaining plants, two pork and one beef, will be re-inspected again before being eligible for relisting. Earlier, the EC Standing Veterinary Committee failed to agree on the Commission proposal to relist 16 of 17 U.S. meat plants inspected by EC veterinarians in August; consequently, the proposal was referred to the EC Agricultural Ministers. U.S. meat plants (eight pork and 12 beef) were delisted by the EC in late 1990 as eligible to export meat to the EC due to the EC's Third Country Meat Directive.

Japan Considers Permitting Beef and Pork Imports From France and The Netherlands

Japan recently announced that in late summer or early fall of 1992, beef and pork imports from the Netherlands and France will be permitted entry, provided that there is not an outbreak of foot and mouth disease in those countries. France and the Netherlands have reportedly discontinued, for lack of necessity, vaccinations for foot and mouth disease. Japan has had an import ban on beef and pork from both countries, except for cooked beef and pork from plants approved by the Japanese Government.

...Trade Policy Updates

Japan Boosts Dairy Import Quotas

In response to continued strong demand for fluid milk and resultant short supplies of raw milk for processing, the Japanese Ministry of Agriculture has announced some additional butter and nonfat dry milk (NDM) import quotas for Japanese Fiscal Year 1991 (April-March). Japan had already announced quota allocations for these products in April and July. The latest announcements are for 20,000 tons of NDM (for general use) and 11,000 tons of butter. This brings the JFY 1991 year-to-date totals to 37,700 tons and 14,500 tons, respectively, well above last year's quotas of 5,000 (NDM) and 7,500 (butter) tons. However, Japanese imports of bulk dairy products in 1990 were dramatically lower than in previous years, with butter imports falling 74 percent versus 1988 and total NDM imports down 32 percent over the same period. Therefore, these latest quota improvements are really only a temporary return to the trade levels of a few years ago. Historically, Japan's primary suppliers of these products have been New Zealand, Australia, the EC, and Eastern Europe.

Japan Recycling Labeling

The Japanese have notified the GATT Standards Code of a proposal requiring recycling information on all aluminum and steel cans for beverages. The proposal requires additional labeling that identifies the metal type with specific Japanese symbols. There would be a grace period of 18 months with full implementation in April 1993. There is speculation that if the Japanese proposal is adopted, recycling labeling for other canned products such as fruit and meat may eventually be required.

Materials Available

- Trade Policies and Market Opportunities for U.S. Farm Exports: 1990 Annual Report (August 1991)
- Helping Small and Disadvantaged Businesses Export Food and Agricultural Exports (August 1991)
- Agricultural Trade Policy and Trade for Central and Eastern Europe (Bulgaria, Czechoslovakia, Hungary, Poland, Romania, and Yugoslavia) (Revised July 1991)
- Public Law 480 Sales Program: A Brief Explanation of Title I (June 1991)
- U.S. Legislation to Counter Unfair Foreign Trade Practices (Revised May 1991)
- Most-Favored Nation (MFN) Status for Eastern Europe and the Soviet Union (August 1991)
- U.S./Soviet Grain Trade (Revised September 1991)

The Trade Policy Updates are prepared monthly by the Trade Assistance and Planning Office, Foreign Agricultural Service, U.S. Department of Agriculture. Interested U.S. parties may send requests for copies of Fact Sheets and reports listed above to the *Trade Assistance and Planning Office, 3101 Park Center Drive, Suite 1103, Alexandria, VA 22302. Tel: (703) 756-6001, FAX: (703) 756-6124. Effective Oct. 28, 1991, the telephone number will change to: (703) 305-2771; the FAX number will change to: (703) 305-2788.*

Market Updates

Brazil Negotiates Wheat Trade With Hungary

Brazil is reportedly negotiating with Hungary for the purchase of between 100,000 and 400,000 tons of high-quality wheat for delivery in calendar year 1991 under a bilateral trade agreement. If realized, this sale would be the second large-scale Brazilian purchase of wheat since the purchase of 750,000 tons of Canadian wheat in early August. In addition, this would be Brazil's second major government-to-government wheat purchase since completion of 700,000 tons of U.S. sales to the private sector under the Export Enhancement Program in June. Brazil's total wheat imports are estimated at 4.2 million tons for fiscal year 1991.

U.S. Wheat Expected to be Excluded From Chile Wheat Market

Chile will apparently run out of wheat stocks at the end of the month. However, U.S. wheat is not expected to be competitive with aggressive offers from the EC and Canada in the Chilean market because of a tax on imports that currently discriminates against U.S. wheat. Canada has reportedly stated to millers and importers in Chile that they will undercut any U.S. price by at least one dollar, regardless of what U.S. programs (for example, GSM-102 or EEP) are available. Chile is expected to import about 300,000 tons of wheat this year.

Higher Prices in Poland and Czechoslovakia Depress Consumer Dairy Purchases

Higher prices for dairy foods in both Poland and Czechoslovakia are cooling consumer purchases and affecting exports. In Poland, dairies processed 1 million tons less milk in the first half of 1991 compared with the first half of last year due to consumer price-sensitivity. The milk supply is reported to have fallen 28 percent since 1989. Because of large surpluses of dairy products in the EC and the United States, Poland's export trade is also down. In 1990, Poland sold almost 100,000 tons of dairy products; however, this year's exports are only about 10,000 tons. Elsewhere in Eastern Europe, Czechoslovakia has decided to take a more aggressive export stance with its dairy surplus. While domestic dairy product prices are 40 percent higher in 1991 than the previous year and consumption is down, Czechoslovakia expects an excess of about 1 million tons of milk (fluid bases) by the end of the year. To facilitate exports, the government is reportedly setting up a fund to establish an "EC-like" intervention/export subsidy program for dairy products.

Canada to Implement a New System of Re-Inspection for Imported U.S. Meat

According to Agriculture Canada, the tentative implementation date of a new meat re-inspection system is Sept. 9, 1991. Under the new system, U.S. exporters of meat products will have their shipments diverted to non-destination private facilities when selected for spot-check meat inspection. These private facilities are expected to charge fees to the importer for the use of their facility. The rates will be determined on the open market and the Government of Canada will not regulate the fee schedule. The fees will likely correspond closely to U.S. border inspection facility fees. The action is expected to be most unwelcome for U.S. exporters of meat to Canada, who, under the present system, enjoy re-inspection by Agriculture Canada at any of the 600 registered establishments which have on-premises inspection facilities. Agriculture Canada expresses hope that the action will result in changes to U.S. border inspection rules. In February 1990, a plan was introduced to eliminate all meat inspection between the United States and Canada.

French Discover Growth-Promoting Hormones in Cattle

The French Ministry of Agriculture reported that 85 percent of the animals tested at a 300-500 head feed lot tested positive for growth-promoting substances which are banned from use in the EC. The tests were conducted on three different lots between July 26 and July 31. The violations have been officially reported to the French judiciary. Slaughter of the animals will be possible only under strict control of the authorities.

...Market Updates

National Peanut Council Export Committee Requests Peanuts be Included Under P.L. 480

The Board of Directors of the National Peanut Council Export Committee has requested that the Department of Agriculture consider including peanuts in the FY 1992 P.L. 480 program. The peanut industry is expecting a record 1991 crop which follows a reduced 1990 crop. The industry wants to avoid an increase in government stocks and an increase in government costs caused by surplus peanuts. As an alternative, programming peanuts under P.L. 480 could complement market development activities underway in potential new markets.

U.S. Cotton Exports to Poland May Increase Despite Falling Consumption

Raw cotton use in Poland is estimated to have dropped by nearly 40 percent in the 1990/91 marketing year (August-July) due primarily to the adoption of free-market policies in September 1989. Inefficiency of Polish cotton textile mills and decontrol of apparel and textile prices have led to a rising tide of imported cotton textiles from the Far East and the EC. Also, the adoption of hard-currency transactions with the Soviet Union and other Eastern European countries has increased input costs. The Soviet Union was Poland's principle raw cotton supplier, meeting over 90 percent of Poland's domestic needs. The change in trade terms with the Soviet Union presents an opportunity for U.S. cotton exporters to capture a larger market share than in past years.

Canada Removes Part of Tomato Snapback Duty

On August 26, Canada removed the "snapback duty" on tomatoes entering the western region after these prices rose above the benchmark price for a period of 5 days. The snapback duty on tomatoes entering into the central region is still in effect.

Improper Pesticide Use in Japan May Lead to Increased U.S. Onion Exports

Japan recently destroyed 900 hectares of onions in Hokkaido, about 7 percent of Hokkaido's total productive onion area, because an improper pesticide was used on the crop. Although Hokkaido's onion supply is still about 4 percent above last year's level, this action could increase demand for imported storage onions. Some Japanese importers make speculative imports of U.S. onions each year for storage as a hedge on the domestic onion supply outlook. Demand could increase even more if severe typhoon conditions occur during the late summer. The United States traditionally supplies 40-50 percent of Japan's onion imports.

USSR Dairy Situation Looks Bleak, Resolution of EC Deal Expected

The Soviet Union is facing severe shortages of dairy products this winter. Recent government statistics show 13 percent less milk (5 million tons) being delivered to dairies during the first 6 months of 1991 than a year ago. Production of liquid milk and fresh products fell 10 percent from last year, and butter and cheese output are reportedly down by 13 and 14 percent, respectively. The dairy situation is not expected to improve for the remainder of 1991. Analysts report that production of grass-based fodder for winter animal feed is down significantly from last year. This news, along with some Western governments' desire to support the recent pro-democracy revolution in the USSR, is expected to put strong pressure on the EC to remove the financial roadblocks holding up the 200,000 ton butter deal with the Soviets signed in December 1990. Currently, only about 25 percent of the butter has been "booked" for export. In the meantime, butter prices in the Soviet Union have jumped 2-1/2-fold since last year.

South Africa to Increase Corn Exports

South Africa is expected to have an exportable surplus of 650,000 tons of corn over the next few months, the result of an increased 1991 corn harvest combined with an anticipated reduction in stocks. Previous expectations had been for corn exports to be as low as 100,000 tons. Japan and Iran have historically been major markets for South African corn exports.

...Market Updates

Canadian Supply Management to be Reviewed

On Aug. 16, 1991, the Canadian International Trade Tribunal (CITT), an organization similar in scope to the U.S. International Trade Commission, announced that it will undertake an inquiry into the procedures and principles that guide the allocation of Canadian import quotas for agricultural products. The inquiry will focus on import allocations for poultry and dairy products. Both dairy and poultry are commodities for which imports have been controlled for many years to protect Canada's supply management programs. Hearings will begin in October in Ottawa.

USDA Reallocates and Accelerates GSM-102 Guarantees to the Soviet Union for Fiscal Year 1991; Withdraws Offsetting Coverage from Seven Countries

On August 23, USDA reallocated the Soviet Union's GSM-102 program to include a \$5.7 million line for soy isolates. The soybean allocation was reduced by \$5.5 million, from \$129.5 million to \$124 million, and the protein meal allocation was reduced by \$200,000 from \$278.7 to \$278.5 million. In addition, on August 26, USDA advanced \$315 million in scheduled credit guarantees to the Soviet Union's GSM-102 program. This action increases the wheat guarantee line by \$45 million from \$207.5 million to \$252.5 million, the feed grains line by \$150 million from \$937.7 million to \$1,087.7 million, and the protein meal line by \$90 million, from \$278.4 million to \$368.5 million. Up to \$30 million of the \$315 million in guarantees will be provided for the freight component of the commodity sales made on C & F or C.I.F. basis. The amount of GSM credit guarantees available to the Soviet Union in FY 1991 totals \$1.915 billion.

In order to provide the additional credit, USDA reduced GSM-102 coverage for Turkey (\$52.5 million), Chile (\$15 million), Suriname (\$12.1 million), Ecuador (\$30 million), Tunisia (\$5 million), Morocco (\$28 million), and Mauritius (\$7 million).

World Wheat Prices Increase Despite Large EC Crop

In Europe, Brussels appears to have responded rather deliberately to the reduced U.S. crop prospects in August and to increasing import needs in the USSR and China by boosting European prices. Thus far, however, no major import buying has taken place at the new levels. EC-quoted export prices have increased roughly \$8-\$12 per ton, or about 15 percent, over the past month. Meanwhile, U.S. domestic wheat prices have risen somewhat less.

Rapid Growth and Expansion in Poultry Sector of Costa Rica

The Costa Rican poultry sector is growing and expanding at a rapid rate. Advertising campaigns and lower poultry prices relative to beef have contributed to an increase in per capita consumption. Growth rates in poultry have ranged from 16 to 25 percent per year in the last 5 years. In 1986, production of poultry meat was 21,000 tons. In 1990, this level reached 43,000 tons. Significant increases in yellow corn imports from the United States during this same time is the single most important factor in the increase of poultry production. In 1989, Costa Rica began to export broiler meat to Colombia, Grand Cayman, and Nicaragua. Approval to export poultry meat to Mexico is pending final approval.

Coffee Retention Plan Proposed

Brazil and Colombia, with the support of Costa Rica, Guatemala, Honduras, and El Salvador, have proposed withholding 10 percent of their 1991/92 coffee crop from the market to bolster world coffee prices. The Brazilian Government has allocated \$189 million for its share of financing for the "retention plan," and the Colombian National Coffee Federation will provide \$150 million. The six countries account for slightly over half of global coffee production. Brazil and Colombia hope to solicit support from other producers for this plan at the upcoming International Coffee Organization meeting in London on Sept. 23, 1991. However, many traders feel that this plan will provide only short-term support for the market, since it will be difficult to police sales by producers and many exporting countries do not have the financial resources to withhold stocks.

Former East German Dairy Sector in Transition, Future to The East

Output of milk and dairy products in the five new German states (formerly East Germany) has dropped significantly from last year due to ongoing structural changes which are leading to a major contraction of the industry. Milk deliveries for the first 6 months of 1991 were 3.3 million tons, 31 percent less than the same period last year. Output of liquid milk, butter, cheese, and skim milk powder were all reportedly affected. Former East German dairies are plagued by overburdened staffs, antiquated machinery, lack of capital investment, and transportation/communication inefficiencies. In the transition to a market-based economy, numerous dairies have already gone out of business over the last year and many more are expected to close operation in coming months. Dairies that appear to be in the best position to survive have, or are in the process of establishing, joint ventures with established firms in West Germany. Access to scarce investment funds seems to be the main reason for the mergers. Dairy watchers in Germany indicate that Poland, Czechoslovakia, and Hungary will be important future export markets for former East German dairies.

Milk Prices in Japan Resulting in Additional Quota Allotments

Japan's Ministry for Agriculture, Forestry, and Fisheries (MAFF) recently announced additional quota allotments for nonfat dry milk (NDM) and butter due to strong demand for fluid milk and resulting shortages of raw milk for processing. To curb soaring retail prices for dairy products, MAFF has announced its third emergency import tender for butter and NDM since April 1. The August tender will allow an additional 11,000 tons of butter and 20,000 tons of NDM into the market, and will bring total imports this fiscal year to 14,500 tons of butter and 37,700 tons of nonfat dry milk. Historically, Japan's primary suppliers of these products have been New Zealand, Australia, the EC, and Eastern Europe.

Nationwide Strike Grinds Canadian Grain Exports to a Halt

Shipments of at least 1.4 million tons of Canadian grain have been held up due to the strike of federal employee grain inspectors and weighers. Canadian wheat exports are currently estimated at a record 24 million tons; however, if the strike is prolonged, this level may not be reached. Only an act of Parliament would force strikers back to work, but the government cabinet minister responsible for wage contracts said on Wednesday that he did not intend to take this action or concede to the strikers' demand that the government lift its current restrictive wage policy. .

P.L. 480 Title I Sales

Fiscal year 1991 P.L. 480, Title I sales registered to date total \$371 million (about 2.5 million tons). Purchases have been made by Congo, Costa Rica, Egypt, El Salvador, Guatemala, Guyana, Jamaica, Morocco, Philippines, Sierra Leone, Sri Lanka, Tunisia, Yemen, and Zaire.

On August 21, Guyana purchased about 2,750 tons of hard red winter wheat in bulk at \$120.46 per ton. It will be shipped on a foreign flag vessel.

On September 6, Yemen purchased about 12,500 tons of bagged rice (No. 2, long grain, parboiled, 4 percent broken) at \$401.01 per ton. The rice will be shipped on a foreign flag vessel.

On September 11, Egypt purchased about 111,000 tons of wheat (46,000 tons soft red winter at \$130.49 per ton, and 65,000 tons northern/dark northern spring at \$129.72 per ton). All of the wheat will be shipped on U.S. flag vessels.

On September 12, Egypt purchased about 24,000 tons of wheat flour in bags. Prices ranged from \$197.09 to \$198.95 per ton. All of the flour will be shipped on a U.S. flag vessel.

Export Enhancement Program (EEP)

The total amount awarded under the EEP with the 5-percent upward tolerance is \$861,110,914.98.

August 16. USDA accepted bids for 8,500 tons of soybean oil to Turkey and 192,000 dozen table eggs to Hong Kong.

August 19. USDA accepted bids for 3,000 tons of soybean oil to Turkey, 6,000 tons of soybean oil to Tunisia, and 31,500 dozen table eggs to Hong Kong.

August 20. USDA accepted bids for 7,000 tons of soft white wheat to Finland, 3,000 tons of wheat to West and Central African countries, and 306,000 dozen table eggs to Hong Kong.

August 21. USDA accepted bids for 3,000 tons of soybean oil to Turkey and 337,500 dozen table eggs to Hong Kong.

August 22. USDA accepted bids for 1,000 tons of soybean oil to Turkey and 105,000 tons of wheat to the Philippines.

August 23. USDA accepted bids for 33,000 tons of wheat to Yemen and 202,500 dozen table eggs to Hong Kong.

August 26. USDA accepted bids for 50,000 tons of wheat to Philippines, 93,000 tons of wheat to Yemen, and 195,000 dozen table eggs to Hong Kong.

August 27. USDA accepted a bid for 216,000 dozen table eggs to Hong Kong.

August 28. USDA accepted a bid for 52,000 dozen table eggs to Hong Kong.

August 29. USDA accepted bids for 3,500 tons of wheat to Finland and 12,000 tons of soybean oil to Algeria.

August 30. USDA accepted bids for 12,000 tons of soybean oil to Algeria and 26,460 dozen medium white table eggs to the United Arab Emirates.

September 4. USDA accepted bids for 30,000 tons of hard red winter wheat to Bangladesh, 12,000 tons of soybean oil to Tunisia, and 26,460 dozen medium white table eggs to the United Arab Emirates.

September 5. USDA accepted bids for 211,560 dozen medium table eggs, including 52,800 brown to Oman and 158,760 white to the United Arab Emirates.

September 6. USDA accepted bids for 158,700 dozen medium table eggs to Oman, 26,460 brown eggs to the United Arab Emirates, 105,840 white eggs to the United Arab Emirates, 7,500 tons of barley to Israel, and 8,000 tons of hard amber durum wheat to Norway.

September 9. USDA accepted bids for 37,500 tons of barley to Israel, 343,200 dozen medium white table eggs to the United Arab Emirates, and 174,000 tons of wheat to Yemen, including 105,000 northern/dark northern spring and 69,000 hard red winter.

September 10. USDA accepted bids for 40,500 tons of northern/dark northern spring wheat to West and Central African Countries and 20 tons of long grain milled rice to Czechoslovakia.

September 11. USDA accepted bids for 125 tons of barley malt to Venezuela, 20 tons of medium grain milled rice to Czechoslovakia, and 26,460 dozen medium brown table eggs to the United Arab Emirates.

September 12. USDA accepted bids for 23,000 tons of barley to Israel and 264,600 dozen medium white table eggs to the United Arab Emirates.

U.S. Agricultural Exports by Major Commodity Group
Monthly & Annual Performance Indicators Including Fiscal 1991 Forecasts

	July			October—July			Fiscal Year		
	1990	1991		1989—90	1990—91		1990	1991(f)	
	-- Bil.\$ --	-- Change		-- Bil.\$ --	-- Change		-- Bil.\$ --	-- Change	
Grains & feeds 1/	1.104	1.059	-4%	13.842	10.405	-25%	16.019	12.5	-22%
Wheat	0.304	0.243	-20%	3.557	2.290	-36%	4.224	3.0	-29%
Wheat flour	0.010	0.021	117%	0.180	0.170	-6%	0.202	NA	NA
Rice	0.036	0.052	42%	0.718	0.637	-11%	0.830	0.8	-4%
Feed grains 2/	0.536	0.499	-7%	7.041	4.721	-33%	7.962	5.7	-28%
Corn	0.468	0.447	-4%	6.160	4.068	-34%	6.929	4.9	-29%
Feeds & fodders	0.129	0.146	13%	1.527	1.619	6%	1.812	NA	NA
Oilseeds & products	0.299	0.451	51%	5.577	4.911	-12%	6.253	5.7	-9%
Soybeans	0.134	0.247	84%	3.577	3.098	-13%	3.939	3.5	-11%
Soybean meal	0.058	0.063	8%	0.887	0.785	-11%	0.990	1.0	1%
Soybean oil	0.036	0.043	19%	0.279	0.141	-50%	0.339	0.2	-41%
Other vegetable oils	0.027	0.043	63%	0.335	0.342	2%	0.394	NA	NA
Livestock products	0.432	0.436	1%	4.497	4.634	3%	5.418	5.6	3%
Red meats	0.185	0.204	11%	1.789	2.083	16%	2.181	NA	NA
Hides & Skins	0.145	0.104	-28%	1.499	1.234	-18%	0.468	NA	NA
Poultry products	0.065	0.087	33%	0.710	0.837	18%	0.856	1.0	17%
Poultry meat	0.046	0.061	32%	0.518	0.605	17%	0.624	NA	NA
Dairy products	0.066	0.045	-32%	0.327	0.288	-12%	0.342	0.3	-12%
Horticultural products	0.442	0.521	18%	4.264	5.063	19%	5.154	5.8	13%
Unmanufactured tobacco	0.056	0.096	71%	1.223	1.387	13%	1.373	1.5	9%
Cotton & linters	0.158	0.081	-49%	2.380	2.488	5%	2.719	3.0	10%
Planting seeds	0.028	0.033	19%	0.475	0.527	11%	0.580	0.6	3%
Sugar & tropical products	0.113	0.108	-5%	1.165	1.311	13%	1.401	1.5	7%
Forest Products 4/	0.489	0.509	4%	5.385	5.351	-1%	6.431	NA	NA
Total Ag. export value	2.763	2.917	6%	34.459	31.852	-8%	40.118	37.5	-7%

	-- MMT --	-- Change		-- MMT --	-- Change		-- MMT --	-- Change	
Grains & feeds 1/	7.663	8.078	5%	97.693	79.269	-19%	113.555	NA	NA
Wheat	2.181	2.140	-2%	22.826	21.565	-6%	28.095	27.0	-4%
Wheat flour	0.044	0.109	149%	0.769	0.914	19%	0.88	1.0	14%
Rice	0.114	0.145	28%	2.150	2.091	-3%	2.502	2.4	-4%
Feed grains 2/	4.356	4.642	7%	61.096	43.357	-29%	69.031	51.7	-25%
Corn	3.776	4.157	10%	53.372	37.259	-30%	59.878	44.5	-26%
Feeds & fodders	0.811	0.840	4%	9.223	9.528	3%	11.065	11.4	3%
Oilseeds & products	0.992	1.698	71%	21.689	19.155	-12%	24.046	NA	NA
Soybeans	0.563	1.111	97%	15.708	13.510	-14%	17.217	15.2	-12%
Soybean meal	0.262	0.294	13%	4.066	3.777	-7%	4.558	4.7	3%
Soybean oil	0.056	0.092	65%	0.516	0.248	-52%	0.614	0.3	-51%
Other vegetable oils	0.034	0.068	100%	0.537	0.516	-4%	0.618	NA	NA
Livestock products 3/	0.183	0.205	12%	1.974	1.914	-3%	2.381	NA	NA
Red meats	0.054	0.064	18%	0.556	0.618	11%	0.676	0.7	4%
Poultry products 3/	0.040	0.051	27%	0.476	0.539	13%	0.564	NA	NA
Poultry meat	0.038	0.048	26%	0.465	0.515	11%	0.56	0.6	7%
Dairy products 3/	0.041	0.028	-32%	0.196	0.173	-12%	0.214	NA	NA
Horticultural products 3/	0.390	0.420	8%	3.829	4.322	13%	4.565	5.0	10%
Unmanufactured tobacco	0.009	0.015	74%	0.196	0.217	10%	0.22	0.2	-9%
Cotton & linters	0.098	0.048	-51%	1.491	1.516	2%	1.703	1.8	6%
Planting seeds	0.033	0.033	-2%	0.381	0.366	-4%	0.578	NA	NA
Sugar & tropical products 3/	0.076	0.098	28%	0.697	0.950	36%	0.921	NA	NA
Total Ag. export volume 3/	9.53	10.67	12%	128.62	108.42	-16%	148.75	129.0	-13%

NA = Not available.

1/ Includes pulses, corn gluten feed, and meal.

2/ Includes corn, oats, barley, rye, and sorghum.

3/ Includes only those items measured in metric tons.

4/ Wood products are not included in agricultural product value totals.

Note -- 1991 forecasts are taken from "Outlook for U.S. Agricultural Exports," Aug. 29, 1991.

U.S. Agricultural Export Value by Region

Monthly and Annual Performance Indicators Including Fiscal 1991 Forecasts

	July			October–July			Fiscal Year		
	1990	1991	Change	1989–90	1990–91	Change	1990	1991(f)	Change
	-- Bil.\$ --			-- Bil.\$ --			-- Bil.\$ --		
Western Europe	0.322	0.428	33%	6.480	6.413	-1%	7.289	7.1	-3%
European Community 1/	0.293	0.393	34%	6.068	5.968	-2%	6.796	6.6	-3%
Other Western Europe	0.029	0.035	21%	0.412	0.445	8%	0.493	0.5	1%
Eastern Europe	0.031	0.015	-51%	0.437	0.261	-40%	0.519	0.3	-42%
Soviet Union	0.090	0.113	26%	2.918	1.361	-53%	2.938	1.9	-35%
Asia	1.265	1.074	-15%	13.603	12.522	-8%	29.561	14.8	-50%
Japan	0.649	0.538	-17%	6.899	6.618	-4%	8.075	7.8	-3%
China	0.080	0.037	-54%	0.721	0.569	-21%	0.909	0.7	-23%
Other East Asia	0.395	0.363	-8%	4.371	3.966	-9%	5.204	4.7	-10%
Taiwan	0.123	0.130	6%	1.542	1.454	-6%	1.816	1.7	-6%
South Korea	0.217	0.174	-20%	2.263	1.872	-17%	2.702	2.2	-19%
Hong Kong	0.055	0.059	6%	0.565	0.636	13%	0.685	0.8	17%
Other Asia	1.205	1.027	-15%	13.006	12.214	-6%	15.374	1.6	-90%
Pakistan	0.029	0.013	-56%	0.321	0.100	-69%	0.391	0.1	-74%
Philippines	0.032	0.037	16%	0.292	0.296	1%	0.351	0.4	14%
Middle East	0.115	0.118	3%	1.692	1.150	-32%	1.928	1.8	-7%
Iraq	0.008	0.000	-100%	0.491	0.000	-100%	0.491	0.0	-100%
Saudi Arabia	0.029	0.037	25%	0.346	0.381	10%	0.447	0.6	34%
Africa	0.104	0.163	57%	1.591	1.505	-5%	1.914	1.7	-11%
North Africa	0.048	0.109	126%	1.216	1.111	-9%	1.437	1.3	-10%
Egypt	0.016	0.062	299%	0.620	0.585	-6%	0.740	0.6	-19%
Algeria	0.016	0.027	67%	0.364	0.353	-3%	0.423	0.5	18%
Sub Saharan Africa	0.056	0.054	-3%	0.375	0.394	5%	0.478	0.4	-16%
Latin America	0.431	0.572	33%	4.245	4.605	8%	5.142	5.4	5%
Mexico	0.218	0.316	45%	2.223	2.450	10%	2.662	2.8	5%
Other Latin America	0.213	0.256	21%	2.022	2.155	7%	2.480	2.6	5%
Brazil	0.011	0.034	205%	0.085	0.209	147%	0.104	0.3	188%
Venezuela	0.036	0.032	-9%	0.253	0.253	0%	0.346	0.4	16%
Canada*	0.362	0.386	6%	3.040	3.681	21%	3.707	4.3	16%
Oceania	0.028	0.029	5%	0.245	0.279	14%	0.304	0.3	-1%
World Total	2.764	2.917	6%	34.461	31.853	-8%	40.122	37.5	-7%

*Prior to 1990, it is estimated that U.S. agricultural exports to Canada as reported by the Bureau of the Census were understated. Data prior to January 1990 have not been adjusted.

1/Excluding East Germany prior to fiscal 1991; including East Germany in fiscal 1991.

Weekly Quotations for Selected International Prices 1/

Dollars per metric ton	Week of 9/23/91	Month ago	Year ago
<i>Wheat (c.i.f. Rotterdam) 2/</i>			
Canadian No. 1 CWRS 13.5%	163	155	146
U.S. No. 2 DNS 15 %	NQ	NQ	134
U.S. No. 2 SRW	158	147	126
U.S. No. 3 HAD	153	145	143
Canadian No. 1 durum	155	152	153
<i>Feed Grains (c.i.f. Rotterdam) 2/</i>			
U.S. No. 3 yellow corn	NQ	NQ	113
<i>Soybeans and Meal (c.i.f. Rotterdam) 2/</i>			
U.S. No. 2 yellow soybeans	247	235	254
U.S. 44 % soybean meal	NQ	NQ	NQ
Brazil 48 % soy pellets	216	198	212
<i>U.S. Farm Prices 3/ 4/</i>			
Wheat	110	98	90
Barley	79	52	70
Corn	92	91	86
Sorghum	92	88	82
Broiler 5/	NA	NA	1,310
Soybeans 6/	220	204	225
<i>EC Import Levies</i>			
Common wheat	187	182	163
Durum wheat	215	197	191
Barley	167	163	143
Corn	161	148	151
Sorghum	174	159	155
Broilers	466	466	257
<i>EC Export Restitution (subsidies) 8/</i>			
Common Wheat	116	108	105
Barley	110	NA	100
Broilers	422	422	256

NQ = No quote. NA = Not available. Note: Changes in dollar value of EC import levies, intervention prices, and export restitutions may be the result of changes in \$/ECU exchange rates.

1/ Mid-week quote. 2/ Asking price in dollars for imported grain and soybeans and soybean products, c.i.f. Rotterdam for nearby delivery. 3/ Five-day moving average. 4/ Target price for current marketing year in \$/metric ton: wheat, \$147; barley, \$108; corn, \$107; sorghum, \$103. 5/ Composite 12-city weighted average price for trucklot sales to be delivered to first receiver. 6/ Central Illinois processors bid to arrive. 7/ Buy-in equals 94% of intervention price plus full value of monthly increments. 8/ Figures represent restitutions awarded nearest to the listed dates; (*) denotes no award given since the previous month. 9/ "Sluice-gate" price.

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